

## FOR MORE INFORMATION

### Division of Insurance Administration

615.741.3590 or 1.800.253.9981

[www.state.tn.us/finance/ins/](http://www.state.tn.us/finance/ins/)

### Tennessee Consolidated Retirement System (TCRS) Insurance Section

1.877.681.0155

[www.treasury.state.tn.us/tcrs/](http://www.treasury.state.tn.us/tcrs/)

This document is intended to provide a summary of eligibility requirements for the continuation of insurance coverage at retirement. For detailed information, please consult your agency's insurance preparer.

If you require this publication in an alternative format, please contact the  
DIA Communications Office at  
615.741.8669.



Department of Finance and Administration,  
Authorization No. 317315, August 2003,  
4000 copies. This public document was  
promulgated at a cost of \$0.17 per copy.

# CONTINUING INSURANCE AT RETIREMENT

## Local Education Plan

## Non-TCRS Participants

## CONTINUING INSURANCE AT RETIREMENT — LOCAL EDUCATION NON-TCRS

### Continuing Coverage at Retirement

All covered local education employees who meet the qualifications may continue medical insurance at retirement for themselves and covered eligible dependents (spouse and/or children). Retired employees may continue until they become eligible for Medicare by virtue of age. Covered dependents will also be allowed to continue coverage until they become eligible for Medicare by virtue of age or no longer qualify as eligible dependents. Participants who are eligible for Medicare may enroll in a Medicare Supplement Plan. For individuals to continue insurance benefits, the agency from which they retire must continue to participate in the local education plan.

A retiree whose spouse is also an eligible covered employee participating in one of the state sponsored plans may continue coverage as a dependent on the active spouse's contract instead of electing retiree coverage. When the spouse terminates employment, the retiree may resume coverage under their own eligibility if not yet eligible for Medicare due to age.

### Individuals Not Eligible for Medicare

#### Service Requirements

Eligible retirees must have at least ten years of employment to continue insurance coverage. Accumulated unused sick leave may be counted. Military service that did not interrupt employment, educational leave, leave of absence, or service with a local government agency cannot be counted. A local education employee may include employment with the State of Tennessee or a state higher education institution to calculate total employment.

The eligibility guidelines for continuation of insurance coverage are as follows:

- Ten years of employment with the state or a participating local education agency, must be age 55 **and** at least three years of insurance coverage in the plan immediately prior to retirement. The date of retirement must immediately follow the employee's date of final termination from employment.
- At least 20 or more years of employment with the state or a participating local education agency, must be age 55 **and** at least one year of insurance coverage in the plan immediately prior to retirement. The period of time between the employee's final termination date and the retirement date may be up to five years.
- 25 years of employment with the state or a participating local education agency **and** one continuous year of insurance coverage immediately prior to retirement.

The one-year and three-year participation requirement will be waived if the local education agency has not participated in the plan for that length of time.

Years of service applies to eligibility to retire, not necessarily toward premium reduction. State premium support is provided on teaching service only.

#### Application

Eligible employees who wish to continue insurance coverage after retirement should submit an Application for Continuation of Insurance to the Division of Insurance Administration (DIA). The application must be submitted within a full calendar month from the effective date of retirement.

If eligible retirees do not enroll within a full calendar month from the effective date of retirement, they may only re-enroll if they

were on the medical insurance at the time they retired and were eligible to continue that coverage by their length of service, length of participation in the Plan and meet **one** of the following late applicant requirements.

- Be approved by medical underwriting by submitting a completed medical questionnaire.
- Meet a Special Enrollment Provision under the guidelines of the Health Insurance Portability and Accountability Act (HIPAA). Some qualifying events under HIPAA include loss of other group coverage due to death of spouse, divorce, termination of spouse's employment, legal separation, loss of eligibility, loss of TennCare, spouse's employer ceases total contribution toward health insurance, spouse's number of work hours required for insurance eligibility are reduced or they acquire a new dependent through marriage, birth or adoption. An Application for Special Enrollment by Qualifying Event must be completed and postmarked within 60 days of the loss of coverage or acquisition of the new dependent. Appropriate documentation must also be submitted.

Retiring employees must continue in the same health insurance option they were enrolled in immediately prior to retirement. Any retiree who is enrolled in a Health Maintenance Organization (HMO) or Point of Service (POS) option and moves outside the service area will be allowed to enroll in another option. Out-of-state retirees must enroll in the Preferred Provider Organization (PPO) option.

The state conducts an annual transfer period from October 15 through November 15. Changes made during this time become

effective the following January 1. Retirees will receive notice each year concerning available options.

### Premiums

Retirees will be billed directly by DIA or they can elect to pay by bank draft.

### Claims

Retirees who continue their health coverage will use the same insurance identification card that was used while they were actively employed. Any questions regarding payment of claims should be directed to the insurance company.

### Coverage for Dependents

Retirees may continue insurance coverage for a spouse and/or dependent child if the individuals were covered at retirement and are not eligible for Medicare Part A by virtue of age. Dependents may continue coverage as long as they meet plan eligibility requirements. Newly acquired dependents must be added to the plan within 60 days. Notify DIA to add dependents to your coverage.

Upon the death of a retiree, a covered spouse or dependent will receive six months of free insurance coverage. Dependents of a deceased retiree may continue coverage only if they were covered by the plan upon the retiree's death **and** are not eligible for Medicare by virtue of age.

### Disability Participants

Employees who qualify for disability retirement may continue coverage if they participated in the local education plan at the time the injury or illness occurred and had five years of service. Upon eligibility for Part A of Medicare, disability participants and their eligible dependents may continue in the plan to the point at which Medicare eligibility would have

been attained had the disability not occurred, provided the retired participant remains eligible for the disability allowance and Part B of Medicare is retained.

Retirees who continue participation in the local education plan and subsequently qualify for Medicare due to a disabling condition continue to be eligible for coverage until such time as they would have been eligible for Medicare by virtue of age.

Employees who are granted a service retirement but are also disabled must prove that total disability exists at the time of retirement. Proof of total disability must be shown by submitting an Award Letter from the Social Security Administration or approval through the state based on physician review of medical records documenting the disability. The required proof must show total disability existed at the time of termination of employment.

Medicare will be the primary coverage and the local education plan the secondary carrier. Coverage will terminate once the retiree or their dependents reach the normal age for Medicare Part A.

### Dental Insurance

Employees who wish to continue dental benefits at retirement may continue through COBRA. Information is automatically sent upon cancellation of active coverage.

## Individuals Eligible For Medicare

### Medicare Supplement Program

Retirees and their dependents who do not participate in the Tennessee Consolidated Retirement System (TCRS) may be eligible for Plan 3, one of the state's Medicare Supplement options. A brochure describing Plan 3 and the

eligibility requirements can be obtained by contacting DIA.

Employees who are Medicare eligible at retirement (or who have Medicare eligible dependents) should submit an application for Plan 3 along with a copy of their Medicare card. Application must be made within 60 days of the effective date of retirement.

Retirees and their dependents who become eligible for Medicare after retirement will be sent an application approximately three months before the date of their Medicare eligibility. To enroll in Plan 3, retirees must submit an application to DIA within 60 days of Medicare eligibility. Once the application is approved, the retiree will receive an identification card showing the subscribers name, identification number and the effective date of coverage.

Premiums for Plan 3 are billed directly from the DIA or can be deducted from the retirees checking account.

Upon the death of a retiree, the spouse or dependents may continue coverage on Plan 3 if covered at the time of the retirees death.

### End-Stage Renal Disease

Retirees eligible for Medicare as a result of end-stage renal disease should contact DIA immediately.

## Returning To Work

### Group Health Insurance

Returning to full-time employment with an agency that participates in a state sponsored plan will result in the termination of retiree group insurance coverage. DIA should be contacted immediately when returning to active service.